

The Commission is committed to providing reasonable accommodations to participants with disabilities. If you need reasonable accommodations, please contact the Commission at human_resources@utc.wa.gov or (360) 664-1132. For more information, go to www.utc.wa.gov.

If you are unable to attend, you may still contact the Commission with questions or to share your comments several ways. If you provide written comments, please include your name and mailing address, the name of the company (Avista), and the Dockets UE-190334/JG-190335 and UE-190222.

The Commission has an online comment form:

www.utc.wa.gov/consumers/ (Click on "Submit a Comment" link)

By email at: comments@utc.wa.gov

By phone at: (888) 333-WUTC (9882)

Or

Write to:

WA UTC

P.O. Box 47250

Olympia, WA, 98504-7250

How Can You Participate in the Rate Case Process?

The Commission is conducting an investigation and will hold hearings to examine the requested rate increases. The Commission has the authority to set final rates that may be different from the requested increases based on the results of the investigation, stakeholder input, and customer feedback. The Commission can take up to 11 months to review the filing and should issue its ruling on or before April 1, 2020.

AVA383I



For more information about the proposed rate increase, conservation tips, and energy efficiency programs, energy assistance programs and bill payment plans, visit us at www.myavista.com or contact us at 1-800-227-9187, or by mail at P.O. Box 3727, Spokane, WA 99220.

Residential and small business customers are represented by the Public Counsel Unit of the Washington State Attorney General's Office.

You can contact them via the web at atg.wa.gov/utilities-regulated or by email at utility@atg.wa.gov.

Public hearing dates & locations

**October 28, 2019
6 p.m.**

Northeast Community Center
4001 N. Cook St.
Spokane, WA 99207



Avista requests electric and natural gas rate increases in Washington



Bill Assistance and Payment Options

Avista has a variety of tools available to help customers who may need them, such as:

- Energy assistance programs and grants
- Energy-saving tools and advice
- Payment options
- Rebates
- Online Energy Advisor

Customers may qualify for payment arrangements and bill or energy assistance programs on an individual basis and need.

If you find that you need a helping hand, please contact us.

To learn more about these and other options, go to www.myavista.com or call 1-800-227-9187.

Utility seeks recovery of costs for investments in infrastructure and systems

On April 30, 2019, Avista filed a two-year rate plan request with the Washington Utilities and Transportation Commission to increase electric and natural gas base rates. If approved by the Commission, the electric and natural gas rates charged to customers annually would increase each year over the next two years. Avista is proposing electric, and natural gas revenue increases to occur April 1, 2020, and April 1, 2021. The Commission has up to 11 months to review the filing, and will ultimately approve, deny, or modify the requested rate increases.

If approved, electric revenues would increase as follows:

- **April 1, 2020:** 8.8% or \$45.8 million
 - **April 1, 2021:** 3.3% or \$18.9 million
- If approved natural gas revenues would increase as follows:
- **April 1, 2020:** 10.1% or \$12.9 million
 - **April 1, 2021:** 4.6% or \$6.5 million

Electric Bill Changes

If the Commission approves Avista's requests, a residential electric customer using an average of 918 kilowatt-hours (kWhs) per month could expect to see billed increases as follows:

- **April 1, 2020:** Increase of \$7.93 per month, or 9.8%, for an average monthly bill increase from \$81.21 to \$89.14.
- **April 1, 2021:** Increase of \$3.46 per month, or 3.9%, for an average monthly bill increase from \$89.14 to \$92.60.

The current and proposed rates for residential service are as follows:

Year 1

Electric - Proposed Schedule 1 Residential Rates:

Electric Service	Current Bill Rate	Proposed Change	Proposed Bill Rates
Basic Charge	\$9.00	-	\$9.00
First 800 kWhs/month	\$0.07708	+\$0.00846	\$0.08554
Next 700 kWhs/month	\$0.08940	+\$0.00985	\$0.09925
Over 1,500 kWhs/month	\$0.10451	+\$0.01154	\$0.11605

Year 2

Electric - Proposed Schedule 1 Residential Rates:

Electric Service	Current Bill Rate	Proposed Change	Proposed Bill Rates
Basic Charge	\$9.00	-	\$9.00
First 800 kWhs/month	\$0.08554	+\$0.00377	\$0.08931
Next 700 kWhs/month	\$0.09925	+\$0.00377	\$0.10302
Over 1,500 kWhs/month	\$0.11605	+\$0.00377	\$0.11982

The proposed electric rate changes by service schedule are as follows:

Rate Schedule	Proposed 2020 Billing Increase	Proposed 2021 Billing Increase
Residential Service - Schedules 1/2	9.8%	3.7%
General Service - Schedules 11/12	7.0%	2.7%
Large General Service - Schedules 21/22	8.7%	3.3%
Extra Large General Service - Schedule 25	8.8%	3.3%
Pumping Service - Schedules 31/32	8.7%	3.3%
Street & Area Lights - Schedules 41 - 48	0.0%	0.0%
Total	8.8%	3.3%

As part of this general rate case, Avista is also seeking to extend its electric and natural gas decoupling mechanisms for an additional five-years (through March 31, 2025). Decoupling is a mechanism that separates the link between the amount of revenue a utility collects and the amount of electricity or natural gas customers use. The primary purpose of revenue decoupling is to promote energy conservation by helping to ensure the utility recovers its fixed costs of providing safe and reliable service.

Components of Avista's Request:

Investments in infrastructure are the primary reason Avista is requesting rate increases. The Company is seeking increased rates to:

- Respond to customer requests for new service or service enhancements;
- Meet customers' expectations for quality and reliability of service;
- Meet regulatory and other mandatory obligations;
- Address system performance and capacity issues;
- Replace infrastructure at the end of its useful life based on asset condition; and
- Replace failing equipment and support field operations.

The electric and natural gas requests are based on a proposed rate of return (ROR) on rate base of 7.52% with a common equity ratio of 50% and a 9.9% return on equity (ROE). Customers pay for these returns in order to service debt expenses and provide the opportunity for shareholders to earn a fair return on their investment. If the Company's profits exceed the authorized ROR, excess profits are evenly split between customers and shareholders.

Natural Gas Bill Changes

If the Commission approves Avista's requests, a residential natural gas customer using an average of 66 therms per month could expect to see a billed increase as follows:

- **April 1, 2020:** Increase of \$4.60, or 9.9%, for an average monthly bill increase from \$46.40 to \$51.00.
- **April 1, 2021:** Increase of \$2.55, or 5.0%, for an average monthly bill increase from \$51.00 to \$53.55.

The current and proposed rates for residential and small commercial customers are as follows:

Year 1

Natural Gas - Proposed Schedule 101 Residential Rates:

Natural Gas	Current Bill Rate	Proposed Increase	Proposed Bill Rates
Basic Charge	\$9.50	-	\$9.50
First 70 therms/month	\$0.55907	+\$0.06972	\$0.62879
Over 70 therms/month	\$0.66913	+\$0.09061	\$0.75974

Year 2

Natural Gas - Proposed Schedule 101 Residential Rates:

Natural Gas	Current Bill Rate	Proposed Increase	Proposed Bill Rates
Basic Charge	\$9.50	-	\$9.50
First 70 therms/month	\$0.62879	+\$0.03871	\$0.66750
Over 70 therms/month	\$0.75974	+\$0.03871	\$0.79845

The proposed natural gas rate changes by service schedule are as follows:

Rate Schedule	Proposed 2020 Billing Increase	Proposed 2021 Billing Increase
General Service - Schedules 101/102	10.4%	4.7%
Large General Service - Schedules 111/112/116	9.2%	4.2%
Interruptible Service - Schedules 131/132	6.2%	2.9%
* Transportation Service - Schedule 146	14.4%	6.3%
Total	10.1%	4.6%

* Increase does not include wholesale natural gas costs, which are procured directly by transportation customers served under Schedule 146.

In a separate Customer Notice issued in May 2019, Avista provided customers with information related to the potential rebate of \$34.4 million, effective July 1, 2019, due to a decrease in power supply costs. Since that time, the Commission has ordered that the proposed rebate be addressed in this general rate case. For more information related to the power supply filing, please see www.myavista.com/waraterrequests.